

**10/17/77 [1]**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<del>From Brzezinski to The President (1 page) re: Stop in Saudi Arabia/ enclosed in Hutcheson to Brzezinski 10/17/77</del> opened per RAC, 2/19/13	10/15/77	A
memo	From Press to The President (2 pp.) re: Current Activities of OSTP	10/17/77	A
memo	<del>From Young to The President (1 page) re: Summary of Weekly Activities of US Mission to UN / enclosed in Hutcheson to Cabinet members</del> OPENED 2/22/08	10/12/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 10/17/77 [1] BOX 54

## RESTRICTION CODES

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TO : President Carter  
THROUGH: Jack Watson  
FROM : USUN - Ambassador Young  
SUBJECT: U.S. Mission to the United Nations Activities,  
October 6-12

1. RHODESIA: MEETING WITH GENERAL PREM CHAND, SECRETARY  
GENERAL WALDHEIM'S REPRESENTATIVE

This discussion covered the various aspects of the ceasefire arrangements: the personalities involved, the role of the frontline states, possible timing of a ceasefire and departure of Ian Smith, and timing of bringing in UN troops. Prem Chand appeared tough, smart and confident but with a realistic appreciation of the problems he faces. He asked the right questions and seemed open-minded. He will be meeting with Field Marshal Carver in London October 17 following other consultations here in New York.

2. NAMIBIA

The Western Five will be meeting here with SWAPO beginning October 14 to discuss the latest talks in South Africa. The group is preparing talking points and has briefed the Secretary General and others. Waldheim made no comment on the substance of the South African withdrawal scenario. He encouraged the Western Five in their efforts but showed no sign of taking further action on his own.

3. 32ND GENERAL ASSEMBLY: GENERAL DEBATE CONTINUES

Major noteworthy development was the Israeli address, a tough reiteration of the Israeli positions, and the PLO reply. The PLO was granted the floor in line with a previous ruling that Observers could reply when directly attacked during General Debate statements. The U.S. briefly registered its reservations.

4. AMB. YOUNG'S OTHER MEETINGS: Israeli Foreign Minister Dayan and UN Ambassador Herzog (10/6); Zairean Foreign Minister Umba di Lutete (10/6); Luxembourg Prime Minister Thorn (10/6); Costa Rican Foreign Minister Facio (10/7); Swedish UN Ambassador Thunborg (10/7); Major General Leigh Guzman (Chilean Junta member) (10/7); Papua New Guinea Foreign Minister N'Olewali (10/12).  
PRESS: David Anable, Christian Science Monitor (10/12)

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MR. NWC-06-111  
PER 1126/07 STATE LET/EE  
BY C NARS, DATE 6/25/08

THE PRESIDENT'S SCHEDULE

Monday - October 17, 1977

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7:45 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:30 Senior Staff Meeting - The Roosevelt Room.

9:00 Meeting of the Cabinet. (Mr. Jack Watson).  
(2 hrs.) The Cabinet Room.

11:00 Mr. Jody Powell - The Oval Office.

11:45 Meeting with the Panama Canal Citizens  
(15 min.) Committee. (Mr. Hamilton Jordan).  
The Cabinet Room.

12:00 Lunch with Vice President Walter F. Mondale.  
The Oval Office.

1:30 Video-tape Messages for USIA and Audio  
Taping/Christmas Greetings to Hospitalized  
Veterans. (Mr. Barry Jagoda) - The Diplomatic  
Reception Room.

2:15 Meeting with His Excellency El Hadj Omar  
(30 min.) Bongo, President of the Gabonese Republic.  
(Dr. Zbigniew Brzezinski) - The Oval Office  
and the Cabinet Room.

EYES ONLY

THE WHITE HOUSE  
WASHINGTON

October 17, 1977

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the  
President's outbox today and are forwarded  
to you for your personal information.

Rick Hutcheson

Attachments:

Interior, Agriculture,  
HUD, EPA, Justice, Labor,  
Treasury, UN, CEQ, CEA,  
Transportation, Commerce,  
HEW

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		<i>eyes only</i>
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

October 17, 1977

Secretary Andrus

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

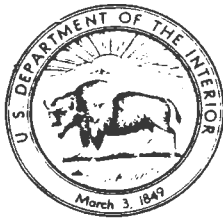
Rick Hutcheson

RE: CUMBERLAND  
BOWHEAD WHALE

THE WHITE HOUSE  
WASHINGTON

cc Andrews





THE SECRETARY OF THE INTERIOR  
WASHINGTON

October 14, 1977

*Cecil  
J*

MEMORANDUM TO THE PRESIDENT

From: The Secretary of the Interior

Subject: Major Topics for the Week of October 10

Monday and Tuesday were spent on Cumberland and our many friends (Sam Candler, Joe Tanner, Henry, George and Jesse) asked to be remembered. The problems really boil down to three controversial issues:

1. Point of debarkation--St. Mary's or Point Peter.
2. Wilderness designation for 400 acres on the north end that has extensive development and retained rights.
3. To close or to not close the north-south road that is currently being used.

*Just  
work it  
Sam &  
Joe*

If you have personal preferences on any of these or if you desire an update, please advise.

The BLM Organic Act, passed in October of 1976, mandates that Interior present a new grazing fee schedule to Congress on October 21, 1977. We are prepared to do this, but we will also brief the Governors and the Cattlemen's Associations. We then will go for comments and present the alternatives to Congress and let them make the unpopular decision since it was their bill. You might be asked about it on the western trip, but I can brief you on it if you think it is necessary.

The Bowhead Whale controversy can be resolved with you making the decision against an "objection" and directing the Interior Department to go before the Scientific Appeals Board of the International Whaling Conference and ask for a one year quota of whales for the Alaskan Natives. I will discuss the procedures with Warren Christopher and then memo Stu if we are in agreement.

*How about  
use of more  
primitive weapons?*

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The dedication of Dr. Odum's Ecology Building went well and again your friends send their best wishes.

The National Heritage Trust proposal which you requested will be to your office by next week.

A handwritten signature in blue ink, reading "Leslie D. Andrews". The signature is written in a cursive style with a large, stylized "L" and "A".

THE WHITE HOUSE  
WASHINGTON

October 17, 1977

Secretary Bergland

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: BOB MEYER

THE WHITE HOUSE  
WASHINGTON

cc Bergland  
p. 1 only



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

Bob  
J

October 14, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson  
Secretary to the Cabinet

SUBJECT: Weekly Report

**Electrostatic Copy Made  
for Preservation Purposes**

MEYER. We are cooperating with Mr. Lipshutz to provide you a recommendation at the earliest possible date. Inquiries from Senators Haskell and Metcalf indicate concern over possible comparison to Bo Calloway matter.

*Eped, to*

SUGAR SUIT. Corn Refiners Association and National Corn Growers Association filed suit Thursday to require USDA to drop present sugar payments program and immediately institute program required by de la Garza Amendment to 1977 Farm Bill. Payments program is currently in place. USDA's schedule for de la Garza aims at implementation in mid-December which will allow time for public comment and setting of wage rates.

JUSTICE OKAYS RETROACTIVE SUGAR PAYMENTS. On October 11, Justice Department legally sanctioned payments under program announced September 15 for that portion of 1977 crop marketed prior to implementation of program.

FEED GRAIN SET-ASIDE. Feed grain set-aside discussions will be carried out by USDA officials next week (October 17-21); decision expected before November 1.

DOCK STRIKE. Port of New Orleans, which handles two-thirds of U.S. grain exports, remains closed to all cargo. Strike has virtually stopped agricultural exports at New Orleans since October 1. Over 1,000 barges are backed up on Mississippi River making it difficult for elevators in interior parts of country to load grain and soybeans for record 1977 crops. Since last Friday, futures for corn have dropped 4 percent and soybeans 5-6 percent. We are working closely with Secretary Marshall on this matter.

RECORD CORN AND SOYBEAN PRODUCTION. USDA reported on October 13 that total feed grain prospects are at record 200 million metric tons, 4 percent above last year.

CHINA CONSIDERING WHEAT AGREEMENT. According to Canadian officials, China is believed to be seriously considering participating in negotiations for new International Wheat Agreement. China is expected to import about 9.5 million tons of wheat in 1977-78.

DROUGHT AND FLOOD CONTROL PROGRAM. Senate Appropriations Committee will probably add about \$36 million to 1978 supplemental appropriations bill for Drought and Flood Control Program. Amount would cover applications pending on September 30 from farmers in Southeast.

FmHA-ASCS. Attached are the weekly status reports on FmHA and ASCS appointments.

sent to HJ

A large, stylized handwritten signature in black ink, appearing to be 'BOB BERGLAND'.

BOB BERGLAND

Attachments - 2

THE WHITE HOUSE  
WASHINGTON

October 17, 1977

Secretary Califano

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: SPEECH ON EDUCATIONAL TESTING  
WHITE HOUSE CONFERENCE ON  
FAMILIES



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

Q

October 14, 1977

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental  
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

HUD Announces Reorganization Plan. Yesterday, we formally announced to the public and to HUD employees our reorganization plan to streamline the Department. The key management features of the reorganization involve strengthening the authority and increasing the accountability of Assistant Secretaries to improve program efficiency, reduce overhead costs, and eliminate administrative deficiencies in the present management structure. These management and structural improvements are designed to make HUD more responsive to the communities it serves and to the general public. Regional offices will no longer duplicate the technical reviews performed by our area offices. This will allow regional administrators to increase their focus on management and monitoring of area office operations. HUD field managers now will have clearly defined roles and lines of authority.

We briefed the leaders of our Congressional Subcommittees, including Chairmen Ashley and Boland and Senator Proxmire, nine days prior to public announcement. They responded very favorably to the plan. Prior to the formal announcement we also phoned all Congressmen who had contacted us about the reorganization.

On Tuesday, we held a special briefing for the public interest groups and there was general acceptance of the reorganization. Groups represented at the meeting included the National Governors Conference, National League of Cities, U. S. Conference of Mayors, National Association of Renewal and Housing Officials, and other representatives of governmental and industry organizations.

HUD informed employees in each Region of the reorganization simultaneously with yesterday's press conference. By means of a pre-recorded video tape, employees viewed a one-half hour presentation by the Secretary and the Under Secretary describing the plan's essential features.

Briefings on New HUD Legislation to be Held. The Department has scheduled a series of briefings on the Housing and Community



Development Act of 1977. These sessions will be held in eight HUD regions beginning October 26, and mayors, governors' representatives, local redevelopment and public housing directors, builders, and neighborhood groups have been invited. The program will include a plenary session on the Department's new policy initiatives, together with concurrent workshops on Urban Development Action Grants, the impact of the Act on small cities, and overall changes in the Community Development Block Grant program and our housing programs.

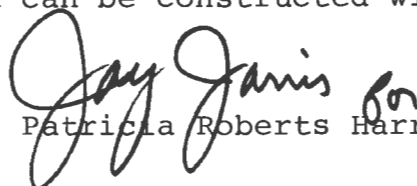
Follow-up on South Bronx. On Monday, William J. White of my staff, who has been named the coordinator for Federal services to the South Bronx, met with Jack Watson to develop plans for making these services available to revitalize the area. Mr. White is in New York today to visit the Bronx and meet with local leaders and HUD officials as a first step in developing a comprehensive plan to use various Federal programs. Jack Watson and Mr. White also plan to be in New York on Tuesday, October 18.

HUD to Fund Local Counseling Programs. The Department will provide more than \$1.25 million to 166 HUD-approved counseling agencies to fund comprehensive housing counseling programs for home buyers, homeowners, and renters. Past HUD counseling efforts were limited largely to prepurchase counseling for home buyers and mortgage default counseling for homeowners.

These new grants will be used to provide a wide range of housing counseling services with priority given to counseling for low and moderate income people. Information on energy conservation and flood and crime insurance will be available to all those being counseled.

HUD Studys Consolidation of Computer Systems. Our study of HUD data processing has pinpointed nine separate HUD multifamily computer systems resulting in duplication of data requirements. A HUD task force has begun a review of these multifamily processing and management systems to consolidate as many as possible. We estimate that consolidation could reduce Departmental burdens caused by the present data entry process by as much as 60 percent.

Housing and the Handicapped. In addition to our Fiscal Year 1978 goal of 11,000 assisted housing units for people with disabilities, HUD is working to develop special programs to permit those now living in institutions to lead more independent lives. We have developed a training program to sensitize all HUD personnel to the needs of the disabled and an information program to tell the public about our programs. HUD research and demonstration projects are expected to determine whether or not housing for the disabled can be constructed without added cost.

  
Patricia Roberts Harris



United States  
Environmental Protection Agency  
Washington, D.C. 20460

C

The Administrator

October 14, 1977

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

1. NATO MEETING. I will be in Brussels next week leading the U.S. delegation to the NATO Committee on the Challenges of Modern Society (CCMS). We will stress the importance of international cooperation in the regulation of toxic substances. I will follow up the CCMS meeting with discussions with senior officials of the Belgian, French and British governments, OECD and the European Commission.

2. CONFIRMATION. Steven D. Jellinek was confirmed last week as Assistant Administrator for Toxic Substances, which leaves only one confirmation pending.

3. TOXIC SUBSTANCES. A major step in implementation of the Toxic Substances Control Act (TSCA) was taken last week. A statutory committee of eight federal agency representatives recommended to EPA an initial priority list of chemicals for testing to determine their potential health and environmental effects. The priority testing recommendations are based on high potential population exposure, high likelihood of finding harmful effects, and lack of explicit information on those effects.

These and future recommendations are likely to become the principal means for setting priorities for chemicals to be tested by industry under TSCA. Setting our priorities for testing is essential and likely to be controversial. While EPA has considerable discretion under TSCA, there are at least 50,000 chemicals in production upon which we must exercise that discretion.

In total, there may be as many as hundreds of thousands of workers and millions of consumers exposed to these chemicals. For example, toluene, one of the chemicals recommended for carcinogenicity and teratogenicity testing, is produced in excess of five billion pounds annually. Widely used as a solvent, an estimated one million workers are exposed to toluene--with much larger general population exposure.

We have requested comments and studies on the recommended chemicals. We will keep you informed on further progress in implementation of TSCA.

A handwritten signature in dark ink, appearing to read "Stephen Conner". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.



## Office of the Attorney General

Washington, D. C. 20530

October 14, 1977

C

Re: Principal Activities of the Department of Justice  
for the Week of October 10 through 14

### 1. Meetings and Events

On Tuesday morning the Attorney General was formally introduced to the Supreme Court by the Solicitor General, Wade McCree. He then travelled to Stamford, Connecticut where he spoke before the Connecticut Bar Association. On Thursday the Attorney General travelled to Americus, Georgia where he spoke to the Georgia Southwest College student body and attended various other functions held in his honor during his visit to his home town. On October 12, Deputy Attorney General Peter Flaherty and Drug Enforcement Administrator Peter Bensinger testified before the House Select Committee on Narcotics and Drug Abuse with regard to legislative oversight concerning narcotics law enforcement efforts. On Wednesday, Wade McCree presented the oral argument before the Supreme Court in the Bakke case.

### 2. Morales Case

On September 29 a federal jury returned verdicts of guilty against all defendants in U.S. v. Hayes, et al. This evidence established that the victim, Richard Morales, was taken to a deserted gravel road five miles from Castroville, Texas, where he was threatened, assaulted and eventually shot to death by Frank Hayes, then Chief of Police of Castroville. Hayes and his son-in-law, Dennis Dunsford, then loaded the body into Hayes' car and it was eventually transported 400 miles to east Texas by defendants Dorothy Hayes and Alice Baldwin. Frank Hayes was convicted of a felony violation of 18 U.S.C. §242. Dorothy Hayes and Alice Baldwin were convicted of violations of 18 U.S.C. §3 (accessory after the fact). Sentencing is scheduled for October 28, 1977.

### 3. Legislative Report

Island Trust Territories Bill -- A significant defect in an enrolled bill providing for authorization of appropriations for the Mariana Islands appeared when DOJ attorneys examined the bill and found that it would inadvertently suspend application of important federal laws -- like the Immigration and Nationality Act and the Fair Labor Standards Act in Guam and the Virgin Islands. Such unintended consequences could have provoked a recommendation for a veto of otherwise essential legislation. The defect was discovered four days before the period for Presidential approval ran out.

The Department, by negotiating with key House and Senate sponsors, OMB, and Interior, managed to secure passage of a Joint Resolution rectifying the error so that the President can sign both bills simultaneously.

House Schedule for Remainder of Session -- It now appears that the House will stay in session until November 11, although there is some talk of the Senate adjourning earlier. For the remainder of the session, the House Judiciary Committee plans to take up financial disclosure, the Mexican jail treaty, and the District Court for the Northern Marianas, with a possibility that the Rights of Institutionalized Persons can be considered. A rule has been secured for the bankruptcy bill which will go to the floor next week. The fate of the judgeship bill still is undecided. Chairman Rodino is conferring with some of his committee members as to whether it will go into markup next week and onto the floor before the end of the session. There are additional hearings scheduled on October 19 on the Fifth Circuit split with civil rights groups (NAACP and Lawyers Civil Rights) now scheduled to testify against the split.

#### 4. Immigration and Naturalization Service

Additional Manpower -- For FY 78, the Service was allocated 144 new positions for the Border Patrol, raising the authorized force from 2,002 to 2,146. One hundred twenty new Border Patrol Agents (trainees) began six weeks of training at the Federal Law Enforcement Training Center, Glynco, Georgia, on October 12, 1977. An additional 24 new agents will be recruited to enter on duty November 7, 1977, and another class is planned for mid-January 1978. The last two classes are expected to fill the remaining new positions as well as vacancies occurring through attrition. In addition, the Service was allocated three airplane pilot positions, for a total of 56.

Special Operation -- The special border control operation in the Chula Vista Border Patrol Sector, begun on June 2, 1977, continues to apprehend large numbers of aliens entering the United States illegally. From inception through October 12, 1977, the detail has accounted for 147,986 apprehensions. Thirty thousand, four hundred sixty-two were apprehended in September alone. Apprehensions for the same period in 1976 totalled approximately 100,000. In view of the continued activity, the detail has been extended through October with a reduced force of 60 additional officers. If the present trend continues, it is believed the detail could account for approximately 170,000 apprehensions over a full five-month period.

Backlog -- The backlogs in Adjudications have been reduced from a high of 239,000 pending cases in June to 208,000 at the end of August, the last date for which final figures are available. This was accomplished despite the fact that receipts of applications reached an all time high of 146,000 applications in August 1977. Task Force operations in the cities with the largest backlogs have resulted in over 88,000 completions since June. Additionally, an overtime program in 15 other cities has generated a total of over 15,000 completions. The pending figure of 208,000 at the end of August represents less than two months' total receipts, although some remaining

cases have been pending for up to a year. By the end of calendar year 1977, with the exception of a very few cases involving litigation or requiring extensive investigation, there should be no backlog cases anywhere over two months old. This is a massive improvement over conditions of just three months ago, when in May the backlogged adjustment cases at Los Angeles alone were expected to take over four years to adjudicate.

Automated Telephone System -- I&NS has an automated telephone answering system in the Atlanta District Office. This furthers our overall program to modernize techniques and systems for improved service to the public. The automated answering system will allow INS Contact Representatives to respond to a wide range of inquiries, and provide for separating requests for forms and applications from other types of information requests. A similar system is operational in Houston, Texas; others planned for the Washington, D.C. District Office, as well as in high volume offices throughout the Service.

Satellite Offices -- A Satellite Office for the New York District opened for business in Flushing, New York- on October 3, 1977. This is the first of several offices which will begin operation in FY 78. The Satellite Office serves as an extension of the District Office in offering services to the public in processing applications and petitions, responding to inquiries, etc. The site selected is convenient to public transportation and accessible by automobile as well. This office should help dissipate the lengthy lines of people seeking information and reduce the backlog of pending applications. It is expected another Satellite Office designated for the Los Angeles District will be opened in the near future.

Planning for Effect of Undocumented Alien Legislation -- Preliminary planning is nearing completion to establish and refine procedures necessary to cope with the anticipated application by up to six million aliens who will be eligible to apply for some type of relief under proposed legislation requested by the President to deal with the illegal undocumented alien problem. This will involve establishing 27 processing centers of varying size in 19 cities. Some 50 other Service locations will process the applications in existing facilities. Of course, ability of the Service to handle expected workload is contingent on approval of additional resources requested with sufficient lead time for acquisition of personnel and accomplishment of necessary procurement activities.

5. The Department's weekly report on appointments is attached.



U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

"FYI"

October 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *R.M.*

SUBJECT: Major Departmental Activities, October 8-14

COLLECTIVE BARGAINING AND STRIKES

East Coast Longshoremen

On October 12, I mentioned during a press conference that a Taft-Hartley injunction was a possible contingency in the East and Gulf Coast longshoremen strike. I emphasized that this contingency was unlikely at present, but the press misinterpreted my remarks by emphasizing the "threat" of Taft-Hartley action. I continue to believe that it is unwise for the Federal government to take precipitous action to intervene at this time. The parties are continuing to negotiate and that there is a possibility that they may come together next week. The strike is still limited to container shipping, except in New Orleans where they are striking all shipping. Since the port of New Orleans handles 90 percent of our soybean exports and 60 percent of our corn exports, the strike is having a serious impact on the export of these commodities. We are continuing to watch the situation closely and I will report to you further at Monday's Cabinet meeting.

Steelworkers

The strike against the major iron-ore producers has now entered its eleventh week with no announcement of when negotiations will resume. We are continuing to follow the situation.

### Coal

On October 6, at the suggestion of Senator Randolph, I met with a group of Senators from coal-producing states and executives of major coal and steel companies. We discussed labor problems in the coal industry. We are continuing to watch the coal negotiations closely. We are also beginning to plan for the White House coal conference early next year.

### INTERNATIONAL LABOR ORGANIZATION (ILO)

On October 12, there was a meeting of the Cabinet Level Committee on the ILO to draw up a recommendation for you on whether to withdraw from the organization. We were unable to agree on a joint recommendation. As a result, I will be sending to you on Monday a memo containing the alternative recommendations.

### HUMPHREY-HAWKINS BILL

On October 13, Charlie Schultze, Stu Eizenstat and I met with Representative Hawkins, Leon Keyserling and Senator Humphrey's administrative assistant to discuss the Humphrey-Hawkins bill. The supporters of the bill are pressing for a commitment of a specific date (either 1982 or 1983) to achieve 4 percent unemployment. We have done a detailed analysis of our ability to achieve that goal without inflation. We believe that such a goal is feasible and I will be sending you a more detailed memo on the subject. All things being equal, it would probably be better not to commit us to a specific target date. However, given the intensity of the feeling on the subject, you may decide it is advisable to include a specific date in the bill. In that case, this would be a goal that I believe we could attain.

### WORKPLACE SAFETY AND HEALTH PROTECTION TASK FORCE

We have selected Richard Bergman to be the executive director of the Workplace Safety and Health Protection Task Force and he will begin work on Monday. Bergman is the vice president of Systemedics, a Princeton, New Jersey, consulting firm.



ECONOMIC STIMULUS PACKAGE--CETA EXPANSION

As of October 7, we had 537,000 people enrolled in the CETA program. The CETA expansion continues to run slightly ahead of our projections.

LABOR/HEW APPROPRIATIONS BILL

As you know, Congress on October 13 passed a continuing resolution funding the Labor Department and HEW until the end of October. Although this alleviates the immediate crisis, the deadlock over abortion continues to pose serious problems.



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

October 14, 1977

*C*

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. ECONOMIC POLICY GROUP

The EPG Steering Committee worked this week on the Humphrey-Hawkins Bill and on Social Security. On Humphrey-Hawkins, I think we must take great care not to accept objectives (e.g. 4% unemployment by a certain date) or constraints (e.g. a prohibition on anti-inflationary fiscal actions) that are patently unrealistic. To do so would seriously undermine public confidence in our whole economic policy. On Social Security, the Steering Committee will meet Saturday with Secretary Califano on how to deal with the Ways and Means Committee bill. I am personally concerned that we not accept a bill which significantly counteracts what we are trying to do in tax reform. We also need to build in counterpressures to the constant impetus for increased benefits. This legislation has significant implications for our inflation and unemployment policies over the next few years, and beyond.

2. TAX REFORM

I am putting together the additional information you requested at Monday's meeting and will send it to you early next week.

3. TRADE AND CURRENT ACCOUNT DEFICIT

In accordance with your instructions, I have had various discussions with Solomon, Schlesinger and Schultze as well as with Arthur Burns. The situation continues serious and exchange markets remain quite nervous. There has been particularly sharp appreciation of the Yen during the last week. I'll be ready to report to you on needed next steps next week.

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#### 4. INTERNATIONAL FINANCIAL INSTITUTIONS BILL

House and Senate conferees Wednesday reached agreement on a compromise by which the House receded on country and commodity restrictions in the IFI section of the Foreign Assistance Appropriations Bill and the Senate receded on human rights restrictions on bilateral aid. Your letter to Chairman Clarence Long paved the way for acceptance of the compromise.

Earlier Wednesday, the House voted 273 to 126 to recommit the Bill to conference.

The House is scheduled to vote next Tuesday on the new conference agreement.

#### 5. WITTEVEEN FACILITY

The Senate Foreign Relations Subcommittee on Foreign Economic Policy has approved for full Committee consideration S. 2152, authorizing U.S. participation in the Witteveen Facility. It will be difficult to get the bill before the full Committee this session, but we are pushing. On Thursday the House Banking Subcommittee on International Trade reported out the authorization bill, 15-1.

#### 6. FINANCIAL SCENE

Short-term interest rates increased again this week, as the Federal Reserve Board raised the Federal funds rate to the 6-1/2 - 6-5/8% area. This is the highest level since February 1975 for this key barometer of all short-term rates.

Growth in the basic money supply ( $M_1$ ) continues to exceed the Federal Reserve's published targets, and these increased short-term rates represent a continuing effort to restrain that growth. Indeed,  $M_1$  increased \$4.9 billion last week, the second largest weekly increase in 1977.

Largely reflecting these increasing short-term interest rates, the stock market continues to decline. The Dow Jones Industrial Average fell to a 22-month low this week. The stock market almost always reacts negatively to increasing interest rates, fearing that they will slow economic growth.

7. MIDEAST TRIP

An NSC meeting, chaired by State, was held in preparation for my Mideast trip to consult on international economic and financial matters, scheduled for October 21 to November 2. One of my key objectives will be to build a basis for support among OPEC members against raising oil prices at their December meeting.

8. MEETING WITH YOU

Prior to my Mideast departure on Friday, October 21, I will need to meet with you briefly to review my trip objectives and to cover other key points on tax reform, balance of payments, and EPG matters as reported above.



W. Michael Blumenthal

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brzezinski to The President (1 page) re: Stop in Saudi Arabia/ enclosed in Hutcheson to Brzezinski 10/17/77	10/15/77	A
memo	From Press to The President (2 pp.) re: Current Activities of OSTP	10/17/77	A
memo	From Young to The President (1page) re: Summary of Weekly Activities of US Mission to the UN / enclosed in Hutcheson to Cabinet members 10/17/77	10/12/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices- Office of the Staff Sec.- Pres. Hand-writing File 10/17/77 Box 59

## RESTRICTION CODES

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EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

C  
/

October 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Charles*  
Gus Speth  
Marion Edey

SUBJECT: CEQ Weekly Status Report

Toxic Chemicals Coordination: The Interagency Toxic Substances Strategy Committee, which we organized and chair, met this week and approved final workplan for the development of an integrated Administration effort aimed at preventing exposure to carcinogens and other toxic chemicals. All agencies with regulatory and research responsibilities for toxic substances are members of the committee.

Energy Plan: We have contacted DOE and Frank Moore again offering our assistance in lobbying and developing public support for the energy program. We believe we could be helpful in the areas of utility rate reform, conservation, and oil equalization taxes.

Panama Canal Treaty: CEQ staff is working with your public liaison staff to develop support for the treaty from key environmentalists.

Bowhead Whale Issue: We have been working with other agencies and your staff developing information for the decision paper. Our consultations with the Scientific Advisory Committee and leaders of the International Whaling Commission confirm our fears that a U.S. objection would likely lead to a breakdown of whale conservation under the IWC. However, the IWC and its scientists appear willing to reconsider the zero quota in December if the U.S. does not object, and if we offer a strong regulatory program to prevent wasteful hunting.

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for Preservation Purposes

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

October 14, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze  
Subject: CEA Weekly Report

Monetary Policy. The basic money supply ( $M_1$ ), the sum of cash plus checking accounts, jumped by \$4.9 billion in the first week of October, the most recent week reported. Both the Fed and the money markets had expected a substantial increase -- probably resulting from seasonal factors that are not fully explained. The actual increase was greater than the markets had anticipated, however, and there is now substantial concern that the Fed will tighten the credit reins another notch at the Open Market Committee meeting next week.

Humphrey-Hawkins. Stu and I will shortly have for you a memo outlining a final set of options. Basically, it involves a choice between (a) accepting a slightly modified 4 percent unemployment target for 1983 and having full agreement with the sponsors; or (b) announcing warm support for the bill, but reserving the right to suggest a few "improvements" during the hearings on the bill, at which time we would suggest somewhat more flexibility in the target.

OECD Targets. We are clearing with other agencies for submission to the OECD our targets for economic growth during 1978. As I mentioned and you approved earlier, we set an overall real economic growth objective of 5 percent for the year. If all goes well, we will send the submission early next week.

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for Preservation Purposes



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

*C*

October 14, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson

SUBJECT: DOT Issues for Presidential Review

*Brink Adams*

Passive Restraint (Airbags) Veto Defeated

Information

Resolutions of disapproval of the passive restraint standard have been defeated in both Houses of Congress.

On the morning of October 12, the House Interstate and Foreign Commerce Committee voted 16 to 14 to table a disapproval resolution introduced by Representative Bud Shuster. The same afternoon, the full Senate voted 65 to 31 to table Senator Griffin's disapproval resolution.

Substantial credit for the success in both Houses is owed to the Leadership and to the Subcommittee Chairmen, Senator Wendell Ford and Representative Bob Eckhardt.

The airbag decision has been called one of the most significant actions this Administration has taken in behalf of the consumer.

Aviation Regulatory Reform/Aircraft Noise Legislation Information

This week the Senate Commerce Committee continued mark-up of the Aviation Regulatory Reform bill, and adopted the labor-protection amendment of Senators Magnuson and Danforth. This amendment would direct the Secretary of Labor to administer a program of compensation for employees who lose jobs as a direct result of the regulatory changes. The Committee will meet next week to discuss a final version of this legislation. It is expected that a bill will be reported from the Commerce Committee before adjournment.

In the House, I testified on Tuesday, October 11, before the Aviation Subcommittee, chaired by Representative Anderson on his bill (H.R. 8813). While praising the overall provisions of the bill, I urged further review of its pricing and entry provisions. I also stressed the need to promptly complete Congressional action on this legislation.



The House Public Works Committee will also mark-up an Aviation Noise Reduction Bill on Thursday, October 20th. We are informed that Chairman Anderson has rejected the Administration's proposed funding levels for the noise abatement program because he thinks they are too low.

#### Transportation of Radioactive Materials through New York City

The Department will hold a public hearing on November 10 in New York City to review the City's ban on the transporting of radioactive materials through the City.

This issue has received much public and political attention. The Brookhaven National Laboratory on Long Island, New York, about 70 miles east of New York City, has asked DOT to overturn the City's regulation banning radioactive shipments. The Laboratory asserts that DOT has exclusive right to regulate these shipments under the Hazardous Materials Transportation Act. The City has suggested that these materials be moved by barge.

We will keep your staff informed of the results of these proceedings.

#### Enforcement of 200-Mile Fishing Limit

#### Information

The 200-mile U. S. fishing zone went into effect on March 1, 1977.

During the first six months, a total of 1340 foreign and domestic fishing vessel boardings have been conducted by the U. S. Coast Guard. Species in the catch have been identified, fishing permits verified, and specific violations detected. 338 citations have been issued (written warnings for minor or technical violations) and 165 Civil Penalty actions (administrative procedures which could result in fines up to \$25,000 per violation for each day). Additionally, two foreign fishing vessels were seized for gross violations in April 1977 and a third foreign fishing vessel was seized on September 1, 1977. These three vessels paid penalties in the United States totalling \$579,900.

The United States' serious intent and ability to enforce strictly the 200-mile Fishery Conservation Zone has been established. During the first two months of enforcement, violations were detected on 50 percent of the foreign fishing vessels boarded; this percentage has decreased to 13 percent during the last two months. Thirty-five percent fewer foreign vessels have fished in the Fishery Conservation Zone, compared to the same six-month period in 1976.

#### Drug Law Enforcement

#### Information

During the month of September, the Coast Guard and Customs conducted a joint operation to determine whether drug smugglers were moving

their sea routes further north on the East Coast.

This operation resulted in the capture of two vessels of Honduran registry, carrying a total of 56 tons of marijuana. The Honduran Government cooperated fully by requesting the U. S. to take appropriate law enforcement action on its behalf.

Drug seizures at sea are increasing. During 1976, 25 vessels were seized with \$133 million in contraband cargo. So far this year, 20 vessels have been seized with cargo valued at \$174 million.

#### The Presidential Reorganization Project

#### Information

At the October 12 briefing for the Cabinet on the President's Reorganization Project, I indicated my strong feelings that Cabinet Officers should be permitted to discuss directly with the President controversial proposals (such as the changing role of the USCG) before these proposals are circulated as options. If a controversial proposal is not being seriously considered, then it should not be circulated since it will cause unnecessary difficulties for the entire Reorganization Project.

#### CAB Trans-Atlantic Air Fare Consideration

#### Information

The Civil Aeronautics Board is expected to act by October 18 on whether to approve or suspend many proposed low cost fares for scheduled Trans-Atlantic flights. The central issue is whether to allow the fares to take effect while negotiating for liberalized treatment of charter flights, or suspend the fares as a way to try to convince the foreign governments to liberalize their treatment of charters. I have recommended to Chairman Kahn that we approve the same basic arrangement that we have with the United Kingdom (suspension if the fares become predatory) and that the CAB approve the proposed fares only until March 31 with a view to negotiating for liberalized terms for charters by that time. You will have 10 days from the CAB decision to approve or disapprove it. A copy of my letter to Kahn is ~~attached~~ in the event you want to examine this issue in greater detail.

*sent to Erzenstat + Lipshutz*

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

9

October 14, 1977

"FYI"

REPORT TO THE PRESIDENT

Bowhead Whales

In June, the International Whaling Commission (IWC), in a 16-0 vote (with the U.S. abstaining), prohibited hunting in 1978 for the endangered bowhead whale. This rule, unless modified by the IWC prior to January 1 or not accepted by the United States, could prevent the 1978 Alaskan Eskimo subsistence hunt. The U.S. needs to make a decision on this issue within the next week. The Department is working closely with State, Interior, and other involved U.S. agencies to find an early solution which would: (1) not involve a United States objection to the IWC decision, since an objection would be inconsistent with our past whaling policy and would seriously jeopardize our future efforts to control whaling worldwide; and (2) provide a sound basis for persuading the IWC at its December meeting to adopt a U.S. proposal for a reasonable bowhead hunt for the Eskimos. No member nation has objected to any IWC whale hunting restrictions since 1973.

Middle East Briefings on Anti-Boycott Regulations

The Commerce, State and Treasury delegation has completed its briefing trip to the Middle East, including visits to Egypt, Saudi Arabia, Bahrain, Jordan, Iraq, Kuwait, Syria, and Israel. Meetings were held with government officials responsible for trade and boycott matters, as well as with local American businessmen. In all instances, the delegation was cordially received. Government officials in all the countries visited appeared keenly interested in the details of the regulations and the effect they would have on the ability of American companies to conduct business with boycotting countries. While Arab government officials gave no indication of any intent to relax the boycott against Israel, for the most part they appeared interested in ways of accommodating U.S. law and avoiding confrontation where possible.

Corporate Social Performance

On October 19, Secretary Kreps will be making a major address at a Duke University Conference of approximately 90 Chief Executive Officers from the Nation's leading corporations. She will outline the Department's program to encourage

increased "corporate social performance." This program will include: a social performance index by which corporations may appraise how well their activities are meeting public needs and a series of regional conferences on techniques successfully being used to incorporate social objectives into corporate management processes. In addition, Secretary Kreps is working with the National League of Cities and the U.S. Conference of Mayors to form a business-city commission on how business can help alleviate critical problems in our urban centers. This initiative is designed to foster increased attention by the business sector to the effects of its actions on public needs, and in turn, on its own long-term self-interests.

#### Patents on Microorganisms

In a landmark decision announced on October 6, the U.S. Court of Customs and Patent Appeals ruled that the UpJohn Company is entitled to a patent on a type of living microorganism. Before this decision, the only forms of life generally thought patentable were certain kinds of plants. The Patent and Trademark Office is studying the potential impact of the Court's cautiously worded decision and whether to recommend that the Executive Branch seek review of the decision by the Supreme Court.

#### Longshoreman Strike

No significant progress has been made during the past week toward settlement of the Atlantic and Gulf Shore longshoreman strike against containerships and barge-carrying ships. Significantly, last Saturday longshoremen in New Orleans affirmed by vote their existing general strike against all shipping in that port. The Maritime Administration is keeping in close contact with the Department of Labor and the Federal Mediation and Conciliation Service concerning the issue of Federal intervention.

#### Polish Trade Minister Visit

On Monday, Secretary Kreps will be meeting with the Polish Minister of Foreign Trade and Maritime Economy, Jerzy Olszewski, who is visiting the United States at her invitation. Among the subjects they will discuss is the Seventh Session of the Joint American-Polish Trade Commission, which she will chair for the United States. The Commission is tentatively scheduled to meet in Warsaw on November 30, the day before your planned arrival in Warsaw.



C. L. Haslam  
Acting Secretary

9:00 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO:

THE PRESIDENT

FROM:

Jack Watson  
Jane Frank

October 14, 1977

RE:

Proposed Agenda

1. No Cabinet meeting on October 24.
2. Paramount importance of the energy legislation:  
ask Cabinet's full cooperation.
3. Report on visit by General Torrijos -- state-  
ment clarifying meaning of neutrality treaty.
4. Other foreign visits -- by Nigerian General  
Obasanjo last week; Gabon President Bongo and Belgian  
Prime Minister Tindemans this week.
5. Forthcoming trip to Detroit, Omaha, Denver, Des Moines,  
Los Angeles.
6. Reports from Cabinet members.

cc: The Vice President

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

S

MEMORANDUM TO: THE PRESIDENT  
FROM: Jack Watson *Jack*  
Jane Frank October 14, 1977  
RE: Summaries for the Week of October 10 - 14, 1977

We are forwarding summaries received from the following:

Agriculture  
Defense  
EPA  
HUD  
Interior

Justice  
Labor  
Treasury  
UN  
CEA  
CEQ  
DOT

cc: The Vice President

**Electrostatic Copy Made  
for Preservation Purposes**

(Confidential attachment)

THE WHITE HOUSE  
WASHINGTON

October 17, 1977

Zbig Brzezinski

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Stu Eizenstat

STOP IN SAUDI ARABIA

EYES ONLY

THE WHITE HOUSE  
WASHINGTON

*eyes only*  
*[Signature]*  
*to SE*

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
✓	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
✓	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



MEMORANDUM

THE PRESIDENT HAS SAID

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

October 15, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT: REASSURANCE TO ISRAEL REGARDING THE STOP IN  
SAUDI ARABIA

1. As per your instructions about keeping Stu and Bob informed, I told them on Friday about the planned stop in Riyadh. (Today I also informed Ambassador Dinitz.) Stu called me tonight to say that, on second thought, he feels that the stop will be viewed as further tilting toward the Arabs.

2. He recommends that Vance or I "peel off" after that stop to visit Israel as a form of reassurance.

3. If you decide to have this done, it might be wise to have it announced before it looks like a concession following a negative public reaction. Cy thinks that this is an overreaction but, of course, he's willing to do it.

4. Your decision:

Vance to go \_\_\_\_\_

Unnecessary \_\_\_\_\_ *✓*

(Dictated by telephone evening October 15.)

*If anyone goes to Israel, prepare to go to visit the neighboring Arabs also.*

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-126 9-25-14  
BY KS NARA DATE 2/14/13

*Just announce that, for the trip as a whole, some members of our party may "peel off". This would cover Hungary for sure, and Israel & others only if necessary. Be sure press understands that Iran is now Arab & friendly to Israel. J.C.*

~~CONFIDENTIAL~~

THIS PROJECT HAS BEEN

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

WASHINGTON, D.C. 20500

October 17, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Current Activities

Following is a brief rundown on current OSTP activities that may be of interest to you.

M-X and Cruise Missile Carrier Vulnerability. At Zbig's request, I have convened a panel of weapons system experts to review plans for the M-X trench mobile ICBM system and for alternate cruise missile carriers. The Panel will study the comparative vulnerability of these systems with the ones they would replace -- Minuteman III and B-52; evaluate how rapidly these existing systems are becoming vulnerable and consider alternative ways of ensuring their survivability; and, in light of these factors, review related funding levels in the FY 79 Defense budget. The Panel will complete an initial assessment by early November.

CTB. I have sent you a separate memorandum concerning initial results of our analysis of key CTB issues. We are continuing work on possible improvements to our national technical means of verification; development of a Safeguards Plan aimed at maintaining our weapons design capability and ensuring continued reliability of our weapons stockpile under a CTB; and the problem of defining the types of nuclear experiments, such as laser fusion, that would be permitted under a CTB.

Health of US R&D. Bo Cutter and I are following the procedure proposed to you by the Vice President to review the health of US R&D, as carried out in the research university and in industry.

Space Policy. I have initiated the process you have approved to develop your options for the Administration's space policy.

Recombinant DNA. The Administration bill and the bills of Senator Kennedy and Congressman Rogers for regulating "gene splicing" research have been overtaken by the latest research results which indicate that the dangers may have been overstated and that the proposed restrictions on research are too severe. Senator Kennedy has withdrawn his bill. I am reviewing the situation with the cognizant agencies to see if there is a need to reconsider the Administration position.

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-9-25-1-4

BY *KS* NARA DATE *2/14/13*

~~CONFIDENTIAL~~

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National Mineral Policy. I am working with Stu Eizenstat and Cecil Andrus on developing a Cabinet level review of Federal non-fuel mineral policy. This may be Domestic PRM #1.

Other. National Climate Plan, Ocean Policy, Water Resources R&D Planning, Earthquake Hazard Mitigation, Telecommunication Security assignment from the NSC, Reorganization Policy for Science and Technology (with OMB).

Date: October 13, 1977

MEMORANDUM

## FOR ACTION:

Stu Eizenstat  
Frank Moore (Les Francis)  
Jody Powell  
Jack Watson  
Tim Kraft

## FOR INFORMATION:

The Vice President

557

Camp  
one ✓

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Califano memo dated 10/10 re Fraud and Abuse Legislation

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: OCTOBER 15, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

October 10, 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *JC*

SUBJECT: Fraud and Abuse Legislation

The Medicare-Medicaid Anti-Fraud and Abuse amendments will probably pass the Congress the week of October 11. We support these amendments strongly, and have worked closely with Congress in developing the final legislation. In fact, my first testimony on behalf of the Administration was on this bill.

The legislation focuses on crimes and program abuses and includes stiffer criminal penalties, increased financial disclosure requirements, refinements of the peer review process, and numerous program improvements.

The bill is extremely important for what it does directly. But it also presents an excellent opportunity for you to congratulate the Congress and to reiterate your commitment to containing health costs without sacrificing quality.

Therefore, I recommend that you have a bill signing ceremony.

Such a ceremony will provide a particularly good occasion to restate your strong support for the Administration's Hospital Cost Containment bill and to urge Congressional action. The ceremony will also give you an opportunity to thank Members of Congress and key staffers for their intense efforts and their cooperation (my staff has spent hundreds of hours working with the Congress).

And since the bill constitutes the first important piece of your health legislation to pass Congress, the ceremony would also give you a chance to urge the Congress to give comparable attention to the unusually ambitious set of health proposals (National Health Insurance, renewal of existing health legislation) that you will be sending to Capitol Hill next year.

If you approve this suggestion, we will develop a list of those who could be invited.

THE WHITE HOUSE

WASHINGTON

Date: October 13, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attached*  
Frank Moore (Les Francis)  
Jody Powell  
Jack Watson  
Tim Kraft *attached*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

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TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: OCTOBER 15, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: October 13, 1977

## MEMORANDUM

## FOR ACTION:

Stu Eizenstat  
Frank Moore (Les Francis)  
Jody Powell  
Jack Watson  
Tim Kraft

## FOR INFORMATION:

The Vice President

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TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: OCTOBER 15, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

*Rick we could  
do this Wed. Oct 26  
at 9:30 or 10 AM -  
TV*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

October 13, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Califano memo dated 10/10  
re Fraud and Abuse Legislation

I strongly agree with Secretary Califano that you should have a bill signing ceremony for the Medicare/Medicaid Fraud and Abuse legislation, which passed on October 13.

If you approve, my staff will prepare a statement linking this legislation with our cost containment and other health initiatives, in cooperation with Jim Fallows.



Date: October 13, 1977

## MEMORANDUM

## FOR ACTION:

Stu Eizenstat  
Frank Moore (Les Francis)  
Jody Powell  
Jack Watson  
Tim Kraft

## FOR INFORMATION:

The Vice President

XC: TATE ✓  
CABLE ✓  
FM ✓

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Califano memo dated 10/10 re Fraud and Abuse Legislation

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: OCTOBER 15, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☒ I concur.☐ No comment.

Please note other comments below: "

HOUSE LIAISON: This may also be a chance to publicly thank  
House Ways & Means Committee for help on  
energy and to hold firm. (BC)

SENATE LIAISON: Same people who would attend signing ceremony  
are key people on Hospital Cost Containment. (DT)

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required  
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

17 October 1977

MEMORANDUM FOR THE HONORABLE JOSEPH A. CALIFANO, JR.  
Secretary of Health, Education and Welfare

Re: Bill Signing Ceremony for Medicare-Medicaid  
Anti-Fraud and Abuse Amendments

The President has approved the request in your memorandum of October 10, 1977 that a signing ceremony be held for the above-referenced legislation.

A handwritten signature in dark ink, appearing to read "Rick Hutcheson", with a long horizontal flourish extending to the right.

Rick Hutcheson  
Staff Secretary

cc: Tim Kraft  
Frank Moore  
Stu Eizenstat  
Jim Fallows



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D.C. 20201

October 10, 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *JC*

SUBJECT: Fraud and Abuse Legislation

The Medicare-Medicaid Anti-Fraud and Abuse amendments will probably pass the Congress the week of October 11. We support these amendments strongly, and have worked closely with Congress in developing the final legislation. In fact, my first testimony on behalf of the Administration was on this bill.

The legislation focuses on crimes and program abuses and includes stiffer criminal penalties, increased financial disclosure requirements, refinements of the peer review process, and numerous program improvements.

The bill is extremely important for what it does directly. But it also presents an excellent opportunity for you to congratulate the Congress and to reiterate your commitment to containing health costs without sacrificing quality.

Therefore, I recommend that you have a bill signing ceremony.

Such a ceremony will provide a particularly good occasion to restate your strong support for the Administration's Hospital Cost Containment bill and to urge Congressional action. The ceremony will also give you an opportunity to thank Members of Congress and key staffers for their intense efforts and their cooperation (my staff has spent hundreds of hours working with the Congress).

And since the bill constitutes the first important piece of your health legislation to pass Congress, the ceremony would also give you a chance to urge the Congress to give comparable attention to the unusually ambitious set of health proposals (National Health Insurance, renewal of existing health legislation) that you will be sending to Capitol Hill next year.

If you approve this suggestion, we will develop a list of those who could be invited.

OCT 13 1977

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

C/

16 October 1977

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *R.H.*  
SUBJECT: Memos Not Submitted

1. CALIFANO MEMO requesting that you have a bill signing ceremony for the Medicare/Medicaid Fraud and Abuse legislation, which was passed on October 13. Califano observes that the bill is not only extremely important for what it does directly, but also presents an excellent opportunity for you to:
  - thank the Members of Congress for their help and cooperation;
  - restate your support for the Administration's Hospital Cost Containment bill and urge congressional action (Frank Moore notes that some of those who would attend the signing ceremony are key to the Cost Containment effort);

Stu Eizenstat, Frank Moore and Tim Kraft concur.

☒ approve signing ceremony ☐ disapprove

2. ALAN CAMPBELL MEMO informing you that the Civil Service Commission has granted a \$10,000 award to two U.S. Geological Survey employees who saved the government over \$1.5 million annually by developing a computer-based information system for providing energy and mineral resource data. With your approval, we will use the signature pen to sign letters of commendation (edited by Fallows) to the two individuals.

*Will sign*

THE WHITE HOUSE  
WASHINGTON

10/17/77

Patti:

type memo to Califano:

The Prsident approved your request that a signing ceremony be held for the MEdicare-Medicaid Anti-Fraud and Abuse amendments legislation.

cc: Tim Kraft  
Frank Moore  
Stu Eizenstat  
Jim Fallows

*also, send copy of Califano  
memo to Fallows*

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

17 October 1977

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *Rh*  
SUBJECT: Memos Not Submitted

1. LETTER FROM BOB MCKINNEY, CHAIRMAN OF FEDERAL HOME LOAN BANK BOARD. His staff is working with the urban policy planning group. McKinney plans to urge the savings and loan industry to support urban reinvestment, to ensure that the Board's regulatory requirements are sensitive to the special problems of urban investment, and to use available incentives to encourage it. He believes that HUD programs should complement this "major push for private investment." Stu Eizenstat's staff reviewed the letter and has no comment; Susan Clough will prepare an acknowledgement in your behalf. ✓
2. BERGLAND MEMO sending you a copy of the 1978 guidelines for the Agricultural Conservation Program (ACP). Eizenstat comments that the 1978 ACP guidelines "represent a marked improvement over the guidelines that have been used in recent years, as they focus more on longer-term conservation needs. They are responsive to the concerns you expressed in your August 3 memorandum to the Secretary." ✓

Secretary Bergland says that the 1978 ACP makes explicit national criteria for soil and water conservation and pollution abatement on agricultural lands. "Within these criteria, local committees have discretion to assign priorities according to their judgment of local needs." Bergland is continuing to work with Congress to remove undesirable aspects of the ACP. ✓

OCT 11 1971



THE WHITE HOUSE

WASHINGTON

*W/Str?*

Date: October 11, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attached*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bergland memo dated 10/6 re Agricultural Conservation Program.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Thursday

DATE: October 13, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

*Please note other comments below:*

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

10/11/77

TO:

Rich Hutchinson

For Your Information: \_\_\_\_\_

For Appropriate Handling: ✓

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
  
Robert D. Linder



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

October 6 1977

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

In your memorandum of August 3 you stated your concern about the Agricultural Conservation Program (ACP). I am enclosing for your information our guidelines for the ACP in 1978.

The 1978 ACP directs funds to soil and water conservation and pollution abatement on agricultural lands. National criteria are being made explicit. Within these criteria, local committees have discretion to assign priorities according to their judgment of local needs.

I have worked and will continue working with Congressional leaders to remove the undesirable aspects of the ACP.

We have much more work to do to make the ACP fully effective, but the 1978 ACP represents substantial progress in the direction you and I want the ACP to go.

Sincerely,

BOB BERGLAND  
Secretary

Enclosure

THE WHITE HOUSE

WASHINGTON

October 13, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
LYNN DAFT

SUBJECT: 1978 Agricultural Conservation  
Program (ACP)

The attached materials from Secretary Bergland describe the guidelines to be followed in the 1978 Agricultural Conservation Program (ACP). They represent a marked improvement over the guidelines that have been used in recent years as they focus more on longer-term conservation needs. They are responsive to the concerns you expressed in your August 3 memorandum to the Secretary, a copy of which is attached.

If you wish to read any of the attached material, we suggest Enclosure 1, which summarizes the policies.

8/3/77

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

Though I recently asked the Congress to consider a proposed supplemental appropriation for the Agricultural Conservation Program, I wanted you to know that I did so with reservation. I am concerned that our soil conservation programs, and this program in particular, are not as effective as they could or should be.

I fear that we have about 3,000 separate conservation programs with little national guidance or problem-solving orientation, and, consequently, that the emphasis is on yield enhancing practices rather than the more enduring conservation measures.

I understand that past shortcomings in the ACP are partially a result of requirements contained in the annual USDA appropriations bill that prohibits you from establishing a list of appropriate conservation practices. I urge you to work for an amendment that would provide you with the authority to establish a national list of practices from which counties could choose and, more importantly, that the amendment provide that any practices not included on the list would not be available for cost sharing.

I also understand that you have recently launched a full-scale review of the Department's land and water conservation programs. I hope that a thorough evaluation of the ACP can be made a part of this review and ask that you keep me closely advised of its progress.

Jimmy Carter

Date: October 11, 1977

MEMORANDUM

## FOR ACTION:

Stu Eizenstat

## FOR INFORMATION:

*Coyf*  
*Daff*  
*to cover*  
*MT - original*

555

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bergland memo dated 10/6 re Agricultural Conservation Program.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Thursday

DATE: October 13, 1977

## ACTION REQUESTED:

☒ Your comments  
Other:

## STAFF RESPONSE:

☐ I concur. ☐ No comment.  
Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE  
P. O. BOX 2415 . . . WASHINGTON, D. C. 20013

SEP 2 1977

TO : The Secretary

SUBJECT: 1978 Agricultural Conservation Program (ACP)

This is a recommendation for approval of the 1978 Agricultural Conservation Program (ACP).

This proposal has been developed in cooperation with the National Program Development Group. Recommendations have also been obtained from an informal advisory group representing legislative, farm, conservation, environmental, wildlife, and business interests. Recent legislative and executive actions and statements related to ACP are reflected in the proposal, and consideration has been given to conservation and environmental trends and conditions affecting farmland soil and water resources.

In summary, the 1978 ACP will be directed along new lines that are in concert with recent amendments to the basic legislation authorizing the program. The restated program objectives include control of erosion and sedimentation, voluntary compliance with Federal and State requirements to solve point and non-point source pollution, priorities in the National Environmental Policy Act, improvement of water quality, and assurance of a continued supply of necessary food and fiber for a strong and healthy people and economy. The 1978 program, therefore, will be directed toward the solution of critical soil, water, woodland and pollution abatement problems on farms and ranches. This new direction is carried forward through development and implementation of a strong national program with specific policy and practice guidelines to State and county committees. The emphasis is on problem identification and solution. Committees will identify and assign priority to critical soil and water conservation problems and appropriate practices to solve those problems. Cost-share levels will be geared to problem solving priorities. Particular emphasis will be placed on coordinating State and county program efforts with Section 208 non-point pollution abatement plans and practice needs as identified. Multi-year agreements will be employed to

attack critical area problems under specialized plans prepared by the technical agency.

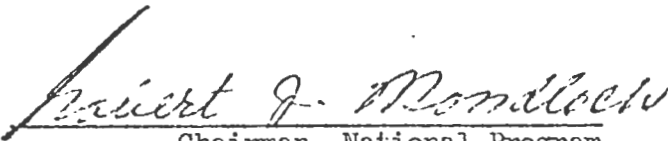
Beginning with the 1978 ACP, special attention will be given to coordinating the ACP with the Department's new rural development emphasis. ACP special projects and pooling agreements will be utilized as a program method for providing ACP fund impacts to rural development. An area approach may be used where one or more special projects in each area of the country would be started this year.

The Presidential Executive Order on protection of wetlands is reflected by program adjustments in practices and policies governing practice selection. Program participation will be encouraged by direct contact where necessary to provide a comprehensive approach to problem solving. Certain adjustments in program operations will be made based on recent legislative action.

There are four enclosures containing details of the 1978 ACP including:

- (1) Resume of major program policies, (2) 1978 national practice list, (3) practice guidelines, and (4) brief practice descriptions.

Your approval of this proposal is recommended by the Administrator ASCS, and has been concurred in by agency representatives of the National Development Group-Executive Committee.

  
Chairman, National Program  
Development Group

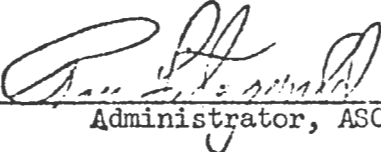
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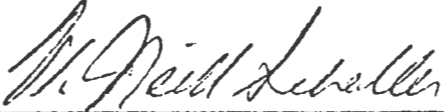
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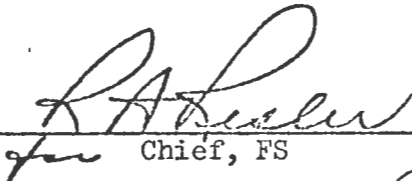
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Administrator, ASCS

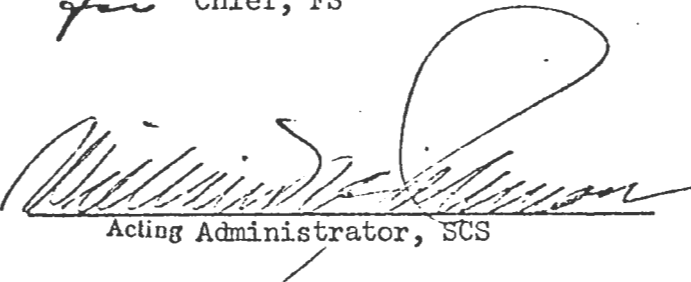
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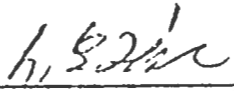
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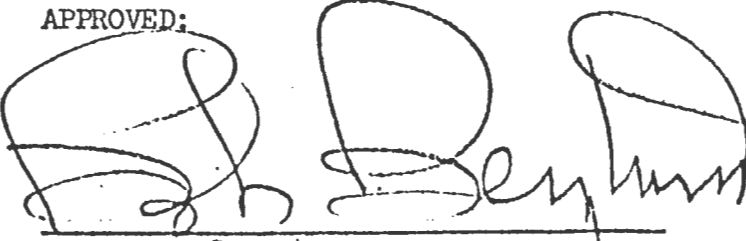
  
\_\_\_\_\_  
Acting Administrator, SCS

8 Sept 77  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Harry E. Wilhelm  
Deputy Assistant Secretary  
Assistant Secretary

9 Sep 77  
\_\_\_\_\_  
Date

APPROVED:

  
\_\_\_\_\_  
Secretary

SEP 12 1977  
\_\_\_\_\_  
Date

Enclosure 1

1978 ACP  
Resume' of Major Program Policies

1. Program Objectives. The objectives of the reshaped ACP are to help assure a continued supply of food and fiber necessary for a strong and healthy people and economy, facilitate sound resource management systems through soil and water conservation, control erosion and sedimentation from agricultural land, control pollution from animal wastes, encourage voluntary compliance by agricultural producers with State and Federal requirements to solve point and non-point sources of pollution, improve water quality, help achieve national priorities in the National Environmental Policy Act, and to reflect other congressional and administrative actions as applicable.
2. Problem Solving Emphasis. The new ACP emphasis will be on identification and solution of soil, water and woodland conservation and pollution abatement problems on agricultural lands. County committees, in cooperation with county development groups, will identify and assign priorities to conservation and pollution problems in their counties. Only then will necessary practice solutions be determined and utilized through cost-sharing. The trend is away from a general array of pre-selected practices from which program applicants may select one or more of their choice.
3. Control of Pollution from Non-Point Sources. Greater emphasis will be placed on coordinating ACP cost-sharing with problems identified under Section 208 plans. Wherever possible, voluntary compliance with requirements will be assisted through ACP cost-sharing for needed practices to control point and non-point sources of pollution from farming operations.
4. Selection and Use of Practices. A set of national practices has been developed (enclosure 2). These practices represent a broad range of needed solutions to problems of soil, water, woodland conservation, and pollution abatement on U. S. farmland. The national practices are designed to provide public benefits by keeping soil in place, conserving water supplies, preserving water quality, and enhancing timber resources. State and county ACP programs will be developed based on identification of problems and selection of appropriate practice solutions. The national practices and practice guidelines will provide leadership to States and counties for appropriate selection and use of practices. States will select needed practices from the national list. Counties shall select from the State list as provided in the State program. In addition, counties may add other practices to their county programs if needed. However, such practices must meet criteria for special practices as provided in the national program. (Enclosure 3 Practice Guidelines.)

5. Cost-Share Percentage Levels Based on Priority. State and County development groups will identify conservation problems and establish a priority rating for each. Also the priority of each practice solution needed to solve the identified problem will be set. A range of cost-share percentage levels based on the priority of the problem and the practice solution will be used to stimulate cost-sharing for the higher priority problems. In setting up the percentage level ranges strong consideration will be given to the monetary incentive required to get the practice carried out in the county. High priority practices percentage level range is 60% - 90%, medium, 30% - 60% and low, up to 30%. States and counties may set cost-share percentage levels within these ranges for problems and practices for which they have established a priority rating.
6. Multi-Year Agreements. Under recent programs the use of multi-year or long-term agreements has declined because of high fund outlays, lack of farmer interest, and administrative difficulties. For 1978, the standard 3-10 year agreement with conservation plan of operations will be made available with minor modifications. In addition, a shorter term agreement of 3-5 years will be offered with a simplified plan concentrating practice problem solving assistance on critical areas identified in the plan. The farmer will have a renewal option to extend the agreement up to 10 years if needed after the 3-5 year period is up. Regular long-term agreements will be modified to allow greater flexibility in practice completions to reduce modifications.
7. Use of State and County Plans. To help achieve the problem solving goal of the program, renewed emphasis is placed on the use of State and county program plans. Problems identified shall be indicated in the plan together with priorities of problems and practices and other required information used to guide the program toward program objectives. The identification of critical problem areas and the concentration of program funds in these areas will be an important feature of the plans.
8. Special Projects and Pooling Agreements. Special projects and pooling agreements will be utilized as one method of concentrating program funds on critical problem areas. They will also be employed to coordinate ACP funding with other ongoing conservation projects and with rural development efforts. Where needed, participation will be actively encouraged by counties through direct contacts with farmers whose cooperation is needed to help assure the success of special project efforts.
9. Use of Community Committeemen. The participation of ASC community committeemen in all phases of ACP program development is encouraged. Also, these committeemen may be involved in providing program information to other farmers, consulted if necessary on program applications information, practice compliance and maintenance and other ACP matters.

10. Executive Order on Protection of Wetlands. The Presidential Executive Order on Wetlands affects ACP practices. In line with the Executive Order on Wetlands, a regular national practice for open or tile drainage will not be offered. Tile drainage may be cost-shared as a component of a "critical area" type practice, however.
11. Emphasis on Special Wind Erosion Control Measures. Emphasis will be placed on special wind erosion control practices in the Great Plains area. This is in response to recent reduction in windbreaks and shelterbelts and increased soil losses from wind erosion. Measures will include establishment and restoration of windbreaks and shelterbelts and vegetative row barriers. Windbreaks around farmsteads will be eligible.
12. Forestry Practices. Use of forestry practices under ACP will receive increased emphasis as an important soil and water and farm woodland conservation tool. COC's will receive additional guidance on the relationship of ACP to FIP cost-sharing to achieve effective program results in their counties.
13. Coordination of ACP with G.P.C.P. Further effort will be made under the 1978 program to attain better coordination between these two cost-share programs. As in past years, cost-sharing will not be offered for LTA's or for the short term agreements in 1978. A study will be initiated to determine how the two programs may be operated more effectively throughout the Great Plains area counties where both programs now apply.
14. State Reserves and Overobligation Authority. State reserves will be authorized as a program method to fund special projects, pooling agreements, and high priority cost-sharing in critical areas. State reserves will not be authorized to force compliance of county committees with State practice selection policies. The overobligation authority will be provided in 1978 since the 1978 program funds are authorized with a December 31, 1978 obligational deadline. States and counties need this authority to effectively use their funds on the higher priority practices.
15. Maximum Payment Limitation. The new legislative authority provides the Secretary authority to establish the payment limitation for ACP payments. For 1978, it is proposed that the \$2,500 per person limitation, as provided in the appropriation legislation, be maintained.



16. Small Cost-Share Increase Discontinued. Based on new legislative authority, the small cost-share increase feature will be discontinued effective October 1, 1977.
17. Other Operational Policies. Other policies affecting day-to-day operations will be adopted to increase program effectiveness. The more important of these policies include; tighter requirements on cost-sharing on the same acreage for some practices, closer control of permit requirements prior to cost-sharing, and cost-sharing for lime only in association with permanent vegetative cover.
18. Program Evaluation. An ACP evaluation program will be installed in 1978. It will be conducted in a representative number of selected counties typical of various U. S. agricultural regions and conservation problems which may be treated with ACP funds. The evaluation will test methods to determine the effectiveness of ACP practices in preventing soil loss, conserving water, preventing non-point pollution from agricultural operations and conserving farm woodland resources.
19. ACP and Rural Development. 1978 ACP assistance will be employed to help further the Department's rural development objectives. The goal this year is to establish and fund one or two special ACP projects in each of the five ASCS administrative areas. The projects will meet conservation objectives and will also be designed to provide maximum economic impact on the rural area where carried out. The projects will be continued into future years as necessary. In addition, we will emphasize that ACP practices have a secondary objective of contributing to rural development wherever possible.
20. Set Aside Acreage. ACP cost-sharing will not be authorized for the minimum protection required for the designated set-aside acreage. (e.g. annual grasses, annual legumes, small grains, temporary tillage operations, etc.) However, cost-sharing may be approved for the more enduring practices to solve more serious conservation problems on the set-aside acreage (e.g. permanent vegetative cover, terrace systems, diversions, sod waterways, etc.)

Enclosure 2

NATIONAL PRACTICE LIST  
1978 PROGRAM

PREVENTION OF SOIL LOSS FROM WATER AND WIND EROSION

- SC1 Permanent Vegetative Cover Establishment
- SC2 Permanent Vegetative Cover Improvement
- SC3 Stripcropping Systems
- SC4 Terrace Systems
- SC5 Diversions
- SC6 Grazing Land Protection
- SC7 Windbreak Restoration or Establishment
- SC8 Cropland Protective Cover
- SC9 Conservation Tillage System
- SC10 Competitive Shrub Control
- SC11 Permanent Vegetative Cover on Critical Areas
- SC12 Vegetative Row Barriers

SOLUTIONS TO WATER CONSERVATION PROBLEMS

- WC1 Water Impoundment Reservoirs
- WC2 Spreader Ditches and Dikes
- WC3 Rangeland Moisture Conservation
- WC4 Irrigation Water Conservation

SOLUTIONS TO WATER QUALITY PROBLEMS

- WP1 Sediment Retention, Erosion or Water Control Structures
- WP2 Stream Protection
- WP3 Sod Waterways
- WP4 Animal Waste Control Facilities
- WP5 Water Management Systems for Pollution Control

CONSERVATION OF SOIL AND WATER THROUGH FORESTRY

- FR1 Forest Tree Plantations
- FR2 Forest Tree Stand Improvement

CONSERVATION OF WILDLIFE HABITAT

- WL1 Permanent Wildlife Habitat
- WL2 Shallow Water Areas for Wild Water Fowl

SOLUTIONS FOR LOCAL SOIL OR WATER CONSERVATION PROBLEMS

- SP Special Conservation Practice

Enclosure 3

1978 ACP  
PRACTICE GUIDELINES

A. Selection and Use of County Practices

County ASC committees are authorized to select any practice in the State or national program needed to solve identified conservation problems in their county. County committees should seriously consider selecting only practices needed to solve problems identified as high priority. This is especially important where funds are not sufficient to meet all high priority needs. In addition, counties may develop and offer cost-sharing on other practices, to solve soil and water conservation problems in their county if the State or national practices do not provide adequate solutions to those problems. Such special practices, shall meet the following criteria:

1. Provide the most effective solution to a soil, water, woodland, or pollution abatement problem identified in the county ACP plan.
2. Be needed to treat a problem designated as high priority in the plan.
3. Have significant public benefits such as prevention of soil loss, conservation of water supply, maintenance of water quality, protection of woodland or wildlife resources, or have other environmental benefits.
4. Meet local, State or national requirements for permits.
5. Comply with herbicide regulations or other farm chemical use requirements.

The practice shall be reviewed by the State group for conformance with national guidelines prior to use in the county. If the State group determines that selected special practices do not meet the criteria, the county should be contacted to resolve the problem.

B. Establishment of Vegetative Cover

Where vegetative cover is needed as an integral part of a practice, it shall be included as a component of that practice. This component may be required with or without provision for cost-sharing for it.



C. Cost-Sharing for Tile as a Component of a Practice

Cost-sharing may be authorized for tile where necessary for the proper functioning of a practice such as terrace systems, diversions or sod waterways. In such cases, the tile shall be included as a component of the practice.

D. Fencing Policy

Cost-sharing should be limited to permanent fences intended to remain in place for the normal lifespan of the fence. In making approvals of fencing components the COC should consider whether:

1. A temporary fence might serve the conservation purpose, or
2. The farmer may be required to protect the practice without cost-sharing for the fence.

E. Policy on Soil Testing

1. Soil tests shall be required to determine the amount of liming materials, commercial fertilizers, or other minerals needed to establish or improve protective vegetative cover in fields or pastures. The State development group may waive this requirement where testing facilities are not adequate or where needs are uniform.
2. Cost-sharing for minerals shall be limited to the minimum application needed to successfully establish or improve protective permanent vegetative cover. Soil testing laboratories, and other persons responsible for making recommendations shall be informed of the purpose of the test. Otherwise, the recommendations may be related to the optimum production of crops rather than to the establishment or improvement of conservation and environmental enhancement vegetative cover.
3. The State program shall include the policy of the State group on soil test requirements. Observe the following:
  - a. The STC shall make full use of public laboratories offering an analysis service.
  - b. If necessary for timely analysis of soil samples, the STC may approve the use of commercial laboratories.
  - c. The STC shall determine which laboratories are to be accepted.

- d. Any laboratory whose analysis is to be used must also be approved by the public authority in the State with responsibility to analyze soil samples.
- e. The STC shall notify the COC's of the names of approved commercial laboratories.

F. Technical Responsibility

1. The FS is assigned technical responsibility for all practices involving the planting of trees for forestry purposes and those involving the improving or protecting of a stand of forest trees.
2. All other practices where technical assistance is necessary to assure effective conservation are assigned to SCS. The State program development group shall determine which of the practices listed in this exhibit shall be assigned to SCS. For a special practice, the COC in consultation with the district conservationist, shall recommend and the State group shall determine whether or not the practice should be assigned for technical assistance. All practices on IFA's are assigned to SCS or FS.

G. Practices Consistent with Conservation Plans

If the applicant has a conservation plan developed in cooperation with the local conservation district, any cost-shared conservation practices should be consistent with it. SCS upon receipt of a referral will determine whether the cost-share practice is consistent with the conservation plan at the time the needs determination is made. The practice need not be specifically included in the plan, but must be in accord with the overall objectives of the plan. If the applicant has no conservation plan, the request should be processed in the normal manner.

H. Cost-Sharing on Minerals

Cost-sharing on lime and fertilizers will be authorized only for the establishment or renovation of permanent vegetative cover.

I. Irrigation

Cost-sharing is not authorized for:

1. Measures involving an irrigation system if the primary purpose is to bring additional land into agricultural production.
2. Portable pipe, cleaning a ditch, or installations primarily for the farm operator's convenience.

3. Installations to convert an existing sprinkler or overhead system to a gravity system.
4. Restoring a system which deteriorates due to lack of maintenance during periods of non-use (such as a rotation cycle for rice crops).

#### J. Drainage

Where drainage practices are approved as special practices the following policies apply:

1. Cost-sharing is not to be approved to drain wetlands types 3 through 20, as described in Circular 39 of the Fish and Wildlife Service, U.S. Department of the Interior, published in 1956.
2. COC's shall encourage the preservation of wetlands types 1 and 2 where they are adjacent to wetlands 3 through 20 and needed to maintain a balanced aquatic or semi-aquatic ecosystem.
3. Where wetlands of types 3 through 20 would be drained or otherwise altered due to structural measures designed for other purposes, landowners will be informed of alternative ways of avoiding or mitigating the incidental loss of these wetlands. Cost-sharing may be provided for drainage only if the landowner installs one of the suggested alternatives.
4. The provisions of PL87-732 continue to apply in Minnesota, North Dakota and South Dakota.

Where tile drainage is necessary to control salinity or pollution problems, practice C5, Water Management Systems for Pollution Control, may be authorized.

#### K. Forestry Practices

Forestry practices continue to be an important part of ACP. The Congress has repeatedly stated that it expects ACP funds to be used for this purpose. It has made clear that funds appropriated for FIP are not to be substituted for ACP funds. Therefore, STC's and COC's are to continue to encourage tree planting and TSI under ACP to assure that the direction of the Congress is met. As a guide, COC's should consider budgeting for forestry practices an amount total to the percentage of cost-shares paid for the forestry practices in 1972, the last full program year prior to the beginning of the Forestry Incentives Program (FIP).

## ENCLOSURE 4

### RESUME OF 1978 PRACTICES

#### PREVENTION OF SOIL LOSS FROM WATER AND WIND EROSION

Practice SC1, Permanent Vegetative Cover Establishment. This practice is designed to provide permanent protection to farm or ranch land subject to erosion and sedimentation and on which the use is to be changed from cultivated crops to permanent vegetative cover. There will be a minimum lifespan of 5 years following the calendar year in which the seeding was made and during which cost-shares must be refunded if the cover is destroyed.

Practice SC2, Permanent Vegetative Cover Improvement. The purpose of this practice is to provide long-range protection to farm or ranch land which is subject to erosion and sedimentation, through improvement of the existing permanent vegetative cover. There will be a minimum lifespan of 5 years following the calendar year in which the improvement measures are carried out during which cost-shares must be refunded if the improved cover is destroyed.

Practice SC3, Stripcropping Systems. This practice will provide enduring protection to farm or ranch land subject to serious wind or water erosion by establishment of contour or field stripcropping systems. Cost-sharing will be limited to once with a person on the same acreage and will reflect costs involved in establishing the strips.

Practice SC4, Terrace Systems. This practice is designed to provide maximum control of erosion and sedimentation from cropland. Cost-sharing with a person will be limited to once on the same acreage.

Practice SC5, Diversions. This practice is designed for application where an erosion and sediment problem can be corrected by a single diversion facility as opposed to a system as exemplified by Practice SC4. Cost-sharing with a person will be limited to once on the same acreage.

Practice SC6, Grazing Land Protection. Cost-sharing is authorized for development of springs, seeps, wells, or dugouts, installing pipelines, storage facilities, cisterns, and artificial watersheds. The practice is designed to provide erosion control on range or pastureland by bringing about better distribution of grazing to prevent destruction of cover due to over-concentration of livestock.

Practice SC7, Windbreak Restoration or Establishment. This practice is applicable to farm or ranch land in need of protection from serious wind erosion. Cost-sharing for planting trees and shrubs for farm windbreaks is authorized.

Practice SC8, Cropland Protective Cover. The purpose of this practice is to provide needed protection from erosion on farmland between crops or pending establishment of enduring protective vegetative cover. A good stand and growth must be obtained and must be maintained on the land for a specified period. The growth may not be harvested for hay or seed. Cost-sharing for minerals is not authorized.

Practice SC9, Conservation Tillage Systems. This practice is designed to demonstrate a substantial reduction in soil loss by reducing the tillage operations in producing a crop. The reduced tillage operations and crop residue management need to be performed annually. Therefore, cost-sharing will be limited to only once with a person.

Practice SC10, Competitive Shrub Control. This practice is for controlling competitive shrubs where they have choked out the desirable species to the point that there is insufficient surface cover to protect the soil from erosion. Treatment may be done by mechanical or chemical means. It is required that chemicals used under this practice must be Federally and locally registered for authorized uses.

Practice SC11, Permanent Vegetative Cover on Critical Areas. Cost-sharing is authorized for measures to stabilize a source of sediment such as gullies, banks, private roadsides, field borders, and similar problem areas. Consideration should be given to establishing cover beneficial to wildlife.

Practice SC12, Vegetative Row Barriers. This practice is designed to protect cropland from erosion by planting rows of vegetative barriers at intervals across the field. It is an alternative to Windbreak Restoration or Establishment (SC7) in areas where trees are not practical because of farming methods.

#### SOLUTIONS TO WATER CONSERVATION PROBLEMS

Practice WC1, Water Impoundment Reservoirs. This practice will require erosion control as a purpose along with water conservation. Structures which provide multiple benefits in addition to erosion control and water conservation will be encouraged. That is, special consideration will be given to environmental and wildlife enhancing features.

Practice WC2, Spreader Ditches and Dikes. The purpose of this practice is to divert and spread runoff water in low rainfall areas to prevent erosion, to permit beneficial use of runoff, and to replenish ground water supply.

Practice WC3, Rangeland Moisture Conservation. Cost-sharing is authorized for furrowing, chiseling, ripping scarifying, pitting, or listing to reduce runoff volume and velocity and to improve water penetration and reduce soil loss.

Practice WC4, Irrigation Water Conservation. This practice is designed to conserve water, prevent erosion, and reduce pollution of water or land. Cost-sharing is applicable to the reorganization of existing systems on land currently under irrigation, where irrigation will continue, for which an adequate supply of suitable water is available, and where a significant soil or water conservation problem will be solved.

### SOLUTIONS TO WATER QUALITY PROBLEMS

Practice WP1, Sediment Retention, Erosion or Water Control Structures. This is the structure practice designed to control erosion, including sediment and chemical runoff, from a specific problem area thereby preventing sedimentation of water. It will, quite often, be used in combination with other practices.

Practice WP2, Stream Protection. The purpose of this practice is to protect streams from sediment or chemicals by installing vegetative filter strips, protective fencing, livestock crossings, or other similar measures.

Practice WP3, Sod Waterways. This practice is designed to provide a waterway to safely convey excess water across fields at nonerosive velocities into watercourses or impoundments. The waterway is protected from erosion and reduces pollution through filtering out silt with the establishment of a sod cover of perennial grasses and/or legumes.

Practice WP4, Animal Waste Control Facilities. This practice is designed to provide facilities for the storage and handling of livestock and poultry waste, so such waste can be recycled into the land in a manner so as to prevent or abate pollution which would otherwise result from such livestock or poultry operations.

Practice WP5, Water Management Systems for Pollution Control. This practice is designed for management of water where necessary to maintain the productive capacity of the soil through removal of saline water or by controlling the water table for pollution abatement. It is applicable to farmland currently used to produce a crop. Cost-sharing with a person will be limited to once on the same acreage.

### CONSERVATION OF SOIL AND WATER THROUGH FORESTRY

Practice FR1, Forest Tree Plantations. This practice is designed for

the establishment of trees or shrubs for forestry purposes and soil protection. Special emphasis under ACP will be given to stabilizing areas subject to critical wind or water erosion.

Practice FR2, Forest Tree Stand Improvement. This practice is applicable to existing stands of forest trees. It is designed to increase the potential of the stand for production of forest products including sawtimber and veneer logs. Consideration is given to the effect of the practice on erosion control, wildlife, and general environmental enhancement.

#### CONSERVATION OF WILDLIFE HABITAT

Practice WL1, Permanent Wildlife Habitat. This practice is designed to provide permanent cover to areas by establishing a permanent stand of trees, shrubs, grasses, and legumes, which also provide good wildlife cover and food. Cost-sharing with a person will be limited to once on the same acreage.

Practice WL2, Shallow Water Areas for Water Fowl. The purpose of this practice is to develop new or rehabilitate deteriorated shallow water to a condition that will support food, habitat, and cover for wild aquatic birds and animals. Cost-sharing is authorized for mechanical measures to construct dams, levees, or dikes for impounding water and for plantings as food plots or protective cover in the flooded area and on the embankments.

#### SOLUTIONS FOR LOCAL SOIL OR WATER CONSERVATION PROBLEMS

Practice SP, Special Conservation Practice. This SP Practice authority is provided counties for the development by county program development groups, subject to State group approval, of permanent type erosion and sediment control practices needed to solve a peculiar local conservation problem for which national program practices may not be adequate. (Air pollution control practices must be approved by the Director, Conservation and Environmental Protection Division.)

Per Dan,  
Then should be  
summarized.

THE WHITE HOUSE  
WASHINGTON  
October 14, 1977

Stu Eizenstat  
Jack Watson

The attached will be submitted to the  
President. This copy is forwarded to you  
for your information.

Rick Hutcheson

RE: URBAN PROBLEMS AND SOLUTIONS

Check Dan 10/20/77  
up to  
will  
20/10/77



5

**Federal Home Loan Bank Board**



320 First Street, N.W.  
Washington, D.C. 20552

Federal Home Loan Bank System  
Federal Home Loan Mortgage Corporation  
Federal Savings and Loan Insurance Corporation

RL  
ROBERT H. McKINNEY, Chairman

October 12, 1977

PERSONAL

The President  
The White House  
Washington, D. C. 20500

Urban Problems and Solutions

Dear Mr. President:

I know that you are making a major effort, through your Urban Regional Planning Group (URPG) and through efforts by HUD, to get some handle on redlining by financial institutions, and to get something positive in place to deal with urban problems generally and urban housing problems particularly. I have committed key staff at this agency to work with both the URPG and HUD toward this end.

While the work of the URPG and HUD will be very significant, I believe strongly that the greatest single resource you have at your command to deal with the Nation's urban housing problems is the \$1,400 billion financial community. Quite obviously not all of these resources may be brought to bear on our urban problems, but we are wasting this enormous resource of money, and equally important, of people, if we do not move actively and vigorously to get the financial community working very, very hard to help the Nation with its urban problems. As Chairman of this agency I intend to make every effort to commit the \$425 billion savings and loan industry to a program of urban reinvestment.

This program will have three key elements. First, we intend to reassess our basic regulatory structure to insure that this agency's requirements do not impede urban reinvestment by the savings and loan industry. Our regulatory requirements must be sensitive to the special problems of urban lending. Second, we are exploring the use of incentives and sanctions to encourage urban investment, going beyond

OCT 14 1977

The President  
Page Two

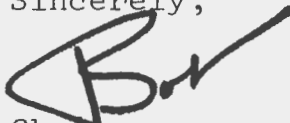
the mere removal of roadblocks from this type of lending. We intend to use the entire administrative structure of the Board in this regard: the Federal Home Loan Mortgage Corporation secondary market facility, the Federal Home Loan Bank System advances mechanism, as well as our oversight powers over Federally chartered or insured savings and loan associations. Third, and most importantly, I am establishing a new operational arm of this agency which will have the responsibility to devise and implement programs to do two things: (1) impress upon associations their legal and moral responsibility to address the problems of our urban areas, and (2) demonstrate the sound business opportunities and profit potential of urban lending.

Mr. President, I believe that this approach is the one which is most likely to make a substantial contribution to the problems of urban housing. With prodding from the Board, private industry can lead the way.

I believe a local, people oriented, rather than a Federal money oriented, program can do the most for urban housing. Subsidies have failed in the past, and I believe they will fail in the future, if for no other reason than the severe budgetary constraints which limit the amount of subsidies to a small fraction of the total need. However, HUD programs, in particular, should complement and be an auxiliary to this major push for private investment. HUD's specialty is with subsidies, and they should be brought in where the economic factors are such that conventional financing is unavailable to low and lower moderate income people. I am sure that their programs have much to offer, and that HUD can help the Board in its private sector thrust.

I am not prepared at this point to propose a major shift in government urban housing policy from subsidized programs to private sector responsibility. Nevertheless, I do believe that there is a far greater potential for solutions in the private sector, and I intend to provide leadership in this direction. I will be pleased to discuss my thoughts further with you.

Sincerely,



Chairman

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C

MINUTES OF THE CABINET MEETING

Monday, October 17, 1977

The thirtieth meeting of the Cabinet was called to order at 9:04 a.m., Monday, October 17, 1977. All Cabinet members were present. Other persons present were:

Joe Aragon  
Barbara Blum  
Peter Bourne  
Zbigniew Brzezinski  
Stu Eizenstat  
Jane Frank  
Rex Granum  
Bob Lipshutz  
William Maynes  
Bunny Mitchell

Dick Moe  
Frank Moore  
Dick Pettigrew  
Frank Press  
Charles Schultze  
Stansfield Turner  
Charles Warren  
Melissa Wells  
Jack Watson

The President asked for comments from Cabinet members, beginning with the Secretary of Defense:

1. Dr. Brown has just returned from nine days in Italy and Yugoslavia. In Rome, he met with the Italian Prime Minister, Foreign Minister and Defense Minister and participated in a seminar and television interview arranged by U.S. Ambassador Richard Gardner. In Bari, he attended a meeting of the NATO Nuclear Planning Group, where overall nuclear balance, ground-launched and sea-launched missiles, SALT, and reduced blast/enhanced radiation weapons were discussed. Dr. Brown suggested the need to bring France into closer military cooperation with other members of the Alliance, and the value of encouraging Spanish membership in NATO. In Yugoslavia, he met with the Defense Minister and other officials and discussed U.S. arms sales to that country. Dr. Brown said that the U.S. is not seeking to be the principal arms supplier to Yugoslavia. He reported that the Yugoslavs appear to be doing well economically, and that their political relations with the U.S. are improved.

2. The President commented that the Evans and Novak column which appeared in newspapers on Saturday falsely attributed some comments to Hamilton Jordan concerning the Cabinet. An earlier Evans and Novak column was also totally inaccurate in describing a telephone call which never took place between the President and Reverend Billy Graham concerning Bert Lance.

3. Ms. Kreps and Messrs. Adams, McIntyre and Strauss said that they had nothing to report.

4. Dr. Schlesinger said that of the five energy bills under consideration by the Senate, three are in reasonably good shape; the fourth, the natural gas bill, is being held "hostage" by various groups; and the fifth, the tax bill, is in trouble because there is no working majority in the Senate Finance Committee for any acceptable version. He said that the critical task is to get a stripped-down bill through the Senate to conference and to deflect a possible Republican effort to derail it on the Senate floor. He urged Administration-wide support for this strategy and predicted that if we could get to conference, a reasonable proposal was likely to emerge. He said that this strategy would require persistent pressure on key Senators.

-- Mr. Blumenthal noted that some of the features of the Finance Committee energy tax legislation are totally unacceptable. Ambassador Strauss suggested that some provisions have been inserted solely for bargaining purposes.

5. Ms. Harris said that HUD is sending the condominium legislation to the President early this week. She noted that several options were not included in the legislation because of policy and constitutional questions.

-- The President commended HUD's study of computer systems and its efforts to consolidate such systems in an attempt to reduce duplication and waste. He noted that he had undertaken similar efforts while he was Governor of Georgia and urged other members of the Cabinet to do likewise.

6. Mr. Bergland said that the grain handlers' return to work in New Orleans has alleviated some of the pressure on grain prices. He predicted that it would take a month to untangle the logistical tie-up in the lower Mississippi since there are approximately 1,800 barges that must be unloaded. Thus far, the strike has not resulted in lost exports for the U.S., and the Poles have shown an interest in increased exports.

-- The international wheat talks will resume in London this week, and Mr. Bergland commended the State Department for its excellent cooperation.

-- He met last week for the sixth-monthly discussion regarding grain exports. The Soviets have stated their desire to increase imports, especially of feed grains. Mr. Bergland noted that grain sales to the Soviet Union are now reported only after the fact, a satisfactory situation in times of plenty, but a potential security risk in times of scarcity. He is meeting with Messrs. Brzezinski and Turner to decide how the present reporting systems can be improved.

7. Mr. Blumenthal reported that the Treasury Department is working on the additional tax options discussed with the President, and that a decision memorandum on those options will be submitted shortly.

-- The International Financial Institutions (IFI) legislation is finally moving in the Congress.

-- Mr. Blumenthal stressed the need for Congress to act promptly next year on the Witiveen Facility legislation in order to alleviate nervousness and uncertainty in the international financial community.

-- Mr. Blumenthal will leave Friday for a ten-day trip to the Middle East with stops en route home in Italy and Germany. The trip will include numerous bilateral discussions with Middle East financial leaders, primarily for the purpose of urging them not to raise the price of oil this year. He said that each percentage point increase in oil prices adds \$400 million to the cost of oil in the U.S. and has a devastating impact on other countries.

8. The Attorney General outlined steps the Justice Department is taking to reduce its enormous backlog of cases.

9. Mr. Marshall distributed to each Cabinet member a memorandum on the International Longshoremen's Association (ILA) strike situation. He said that the Labor Department is monitoring the situation closely.

-- Mr. Marshall will leave Friday for a Scandinavian trip, including Finland, Denmark and Norway where he will confer with union, employer and government leaders concerning labor market policy.

10. Ambassador Young distributed to the Cabinet an outline of the U.N.'s basic organization, including the main U.N. councils; special function U.N. offices; regional economic commissions; and U.N. specialized and related agencies. He said that the U.S. invests approximately \$600 million a year in these various agencies, and he urged Cabinet members to utilize them more fully.

-- Mr. Young said that the recent visits to the U.N. by the President and Mr. Vance had had an enormously positive impact. He also commended Mr. Bergland for the excellent way in which USDA is contributing to and participating in the various international food agencies and especially the World Food Council. He noted that the Agency for International Development (AID) is also beginning to work more through the U.N. system.

-- Mr. Young said that a very troublesome problem facing the international community is the energy issue.

-- Ambassador Young noted, in conclusion, that the new U.S. Ambassador to the U.N. community in Geneva, William Vanden Heuval, is working hard to improve U.S. participation in and use of the U.N. agencies and programs in Geneva.

-- The President asked the Cabinet to review the one-page outline of agencies distributed by Ambassador Young and to send high-level representatives to the U.N. agencies which relate to their respective departments. He said that the U.S. could save a great deal of money in many instances by working through the United Nations, rather than independently of it. During his visit to the U.N., the President told U.N. Secretary General Waldheim that he would like to send a representative of OMB to New York to review U.S. contributions to the U.N. and to recommend ways in which the positive impacts of these contributions could be maximized.

11. Dr. Brzezinski recently returned from Western Europe where he talked with French President Giscard d'Estaing, English Prime Minister Callaghan and West German Chancellor Schmidt. He described his six hours spent in private talks with these leaders as "a unique opportunity for an agenda-free discussion." Among the issues discussed were U.S. policy in the Middle East (where all leaders indicated support); SALT, especially cruise missiles; and neutron weapons.

-- Dr. Brzezinski asked the Cabinet's help in planning the President's forthcoming international trip, which is scheduled to begin in late November. Bilateral discussions will be stressed at each stop and will be the exclusive focus of visits to Brazil, Saudi Arabia, Iran and Poland. Multilateral themes will be stressed at some stops. In Venezuela, for example, the President will deliver a major address on North/South cooperation and co-responsibility; in Africa, he will describe the new spirit of American interest and involvement; in India, he will talk about general economic development and basic human rights; in France, the role of the modern democratic-industrial state; in Brussels, the President will reaffirm U.S. Commitment to a united Europe (in the first appearance before the European Community by a U.S. President) and, in a speech before NATO, he will reaffirm our commitment to collective security.

-- The President said that he and several advisors have been working on the trip since March. He said that visits to Iran and Saudi Arabia will be essentially refueling stops en route to and from India. He asked the Cabinet to expedite their suggestions to Dr. Brzezinski.

12. The President said that International Fuel Cycle meetings will begin in Washington on Wednesday. The key supplier and consumer nations will meet to discuss how to provide nuclear fuel for peaceful uses. The President said that he is extremely pleased that the Soviet Union, Canada, Australia and possibly South Africa have agreed with the U.S. on the need for international constraints on nuclear reprocessing. He noted that one-year ago there was a general consensus in the international community that it was too late to control reprocessing, but that now the issue is being widely reconsidered. The President commented, "If I do not accomplish anything else during my Presidency, making significant progress in this area would make it all worthwhile."

13. Mr. Vance said that the meeting last week between the President and Panamanian Chief of Government Torrijos resulted in an extremely important statement clarifying the meaning of the neutrality treaty on the Panama Canal. In Mr. Vance's view, the statement gets at the heart of problems that have been bothering a number of Senators.

-- A working paper on the Middle East has been sent to all Arab heads of state, and Mr. Vance said that their response will have a critical impact on whether the Geneva talks will resume.



-- Mr. Vance said that he had a good meeting with Soviet Foreign Minister Gromyko on SALT, and he predicted that it would be possible to reach an agreement "in time." Arms control negotiator Paul Warnke is in Geneva negotiating this agreement on a full-time basis, and Mr. Vance will return to New York for further discussions next week. He invited Dr. Brown to join him for these meetings. Dr. Brown said that, unfortunately, he will not be available next week, but that he will make plans to join Mr. Vance for such discussions later.

-- The U.N. Representative has been appointed to implement the Rhodesia plan. Mr. Vance said that delicate negotiations will take place during the next several weeks concerning arrangements for that country's internal security during the transition period. He said that Ambassador Young is doing an outstanding job in dealing with this issue.

14. Mr. Schultze said that the President has approved a Regulatory Analysis Program to be carried out by the CEA. He stressed that the effort would be a cooperative and rather complicated venture between CEA and the entire Cabinet, and he urged the Cabinet's full cooperation.

-- The President commended a recent memorandum from Mr. Schultze on the inflationary impact of various Administration decisions during the last nine months. The President commented that he would, in all probability, make the same decisions again, but that we must all constantly take into account, before decisions are made, the potential inflationary effects of those decisions.

15. Mr. Califano said that he will attend a fundraiser for Congressman Corman in Los Angeles on Friday and appear at a Democratic caucus for Congressman Ullman in Portland, Oregon, on Sunday.

-- He reported that the Administration's health and welfare legislation is moving well on the Hill. H.R. 3 (legislation on medicaid and medicare fraud and abuse) will pass the Congress shortly, and Mr. Califano urged the President to hold a bill signing ceremony. Legislation affecting paramedical care will also be sent to the President soon. A Social Security bill will pass this session. Although it is not precisely what the Administration proposed, the legislation does have the decoupling features which were the cornerstone of the Administration's proposal. The welfare legislation is still on schedule,

and Congressman Corman said that it will be marked up by Christmas. According to Mr. Califano, the hospital cost containment legislation will move if the Congress stays in session long enough.

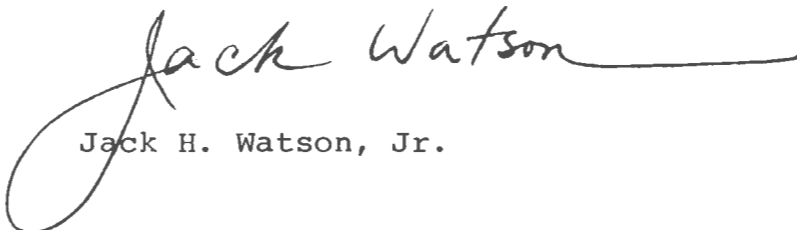
16. Mr. Andrus said that he has prepared a one-page summary that the President requested on the status of litigation over excess federal lands.

-- He met with Ms. Harris on the South Bronx situation and sent Interior Department officials to the scene last weekend. Two more teams will visit the area next week.

-- The Interior Department is examining the enforcement mechanisms for pollution requirements for on-shore oil and gas to minimize the number of "shut-in" wells. The bidding procedures for upcoming OSC sales are also being examined. Mr. Andrus stressed the need for amendments to the existing law and noted that it will be difficult to explain to the public why royalty bidding is not satisfactory. The President said that he has discussed the subject with Speaker O'Neill.

The meeting was adjourned by the President at 10:33 a.m.

Respectfully submitted.

A handwritten signature in cursive script that reads "Jack Watson". The signature is written in dark ink and is positioned above the printed name. A large, loopy flourish extends from the bottom of the signature, looping back under the name.

Jack H. Watson, Jr.